Zurich International Portfolio Bond

Discretionary Gift Trust Deed (Settlor included)
This specimen Trust Deed may be used when you would like your Zurich International Portfolio Bond (referred to as the Plan) to be held subject to a Discretionary Gift Trust (Settlor included) (referred to as the Trust) under which the Trust Fund is to be held for the benefit of any one or more Beneficiaries, including yourself, as appointed by the Trustees. This Trust Deed can be used with either the life insurance or the capital redemption version of the Plan.

Your Trustees can select who is to benefit from the classes of potential Beneficiaries named in clause B.1.(a). You can give the Trustees a letter of wishes expressing how you would like them to act and any considerations you would like them to take into account when making decisions. You can change your mind at any time and reflect this in a new letter of wishes that you give to the Trustees. However, you should be aware that this will not be legally binding on your Trustees.

Use of this Trust, provided at least one additional Trustee survives you, will avoid the need for your personal representatives to obtain a grant of probate in the UK and Ireland in respect of the Plan on your death. When this is the main purpose of using this Trust, it is referred to as the Probate Trust.

If you are non-UK domiciled, use of this Trust may help ensure that your Plan will not be subject to inheritance tax if you become UK-domiciled in the future. When this is the main purpose of using this Trust, it is referred to as the Excluded Property Trust.

This Trust Deed is provided as a draft for consideration and has been prepared in accordance with Zurich Life Assurance plc's understanding and interpretation of the law of England as at November 2012. Whilst every care has been taken in preparing this draft Trust Deed, you are strongly advised to consult your own legal advisers, and to seek taxation advice in your country of domicile and residence.

Further information is provided in the Customer Guides to the Probate Trust and the Excluded Property Trust provided separately. You should study the guide which is relevant to you.

Zurich Life Assurance plc does not accept any responsibility for the operation of the Trust.

As you are one of the Beneficiaries of this Trust, it should not be used if you are UK-domiciled and are concerned about potential inheritance tax on your estate. This is because the full value of the Plan will remain in your estate for inheritance tax. If you are concerned about inheritance tax, a different trust may be suitable and you should discuss your requirements with your advisers.

This Trust Deed is for single Settlors only and not for joint Settlors.

The entire copy of this Trust Deed must be sent to Zurich Life Assurance plc at Zurich Centre, PO Box 1076, Bishops Cleeve, Cheltenham GL50 9NR.
How to complete this Trust Deed

Section A

‘The Settlor’: Your details as the Trust creator should be set out here.

‘The Original Trustees’: The full names and addresses of the Trustees you wish to appoint to act with you should be set out here.

As the Settlor, you are automatically a Trustee and so you should not include your details in the additional Trustee boxes. You must appoint at least one (preferably two) additional Trustee(s) to act with you. Further Trustees can be appointed in the future if needed.

Name of the Trust: You should insert the name this Trust should be known as (e.g. ‘The John Smith Discretionary Gift Trust’). This will help to distinguish it from any other trusts you may have created, for example, in correspondence with HM Revenue & Customs.

‘The Plan’: Insert the Plan number of your Plan if you know it and tick the appropriate Plan version. If this is the life insurance version, please insert the name(s) of the life(ves) insured. For new Plans, the Settlor and/or the Default Beneficiaries can be lives insured, subject to a maximum of ten.

Section B

‘The Beneficiaries’: The list of Beneficiaries may be amended in accordance with your wishes. If you do wish to amend or delete any of the classes of potential Beneficiaries in this section, you should do so before signing the Trust Deed and you and your additional Trustees and each witness should initial each amendment or deletion.

‘The Default Beneficiaries’: Insert the full names of those Persons who should benefit if at the end of the Trust Period not all of the Trust Fund has been distributed by the Trustees to the Beneficiaries. These could be individuals or a named charity. If there is to be more than one Beneficiary, insert the percentage share. The shares must add up to 100%. At least one Person must always be named here.

Section D

You and your additional Trustees must sign the Trust Deed. It is sufficient for you to sign once as the Settlor and as the Trustee. All signatures must be made in the presence of a witness who is aged over 18 and is not a Beneficiary, Trustee or Settlor of this Trust, nor the Settlor’s Spouse or Civil Partner.

You should always seek professional advice regarding the appropriateness of the Trust for you. If you wish to make any amendments to the draft Trust Deed provided, these should only be made after taking professional advice on the consequences of such action. Any amendments must be made before the Trust Deed is signed, in permanent ink and correction fluid must not be used. Such amendments should be initialled by you, each Trustee and each witness and no alterations should be made to the Trust Deed after it has been signed.
A. Declaration

**THIS TRUST DEED is made the [ ] day of [ ] in the year [ ].**

Between:

**Settlor**

- **Full name**
- **Address**

_(the ‘Settlor’) and the Settlor and such of the following as are specified in the boxes below._

**Additional Trustee 1**
- **Full name**
- **Address**

**Additional Trustee 2**
- **Full name**
- **Address**

**Additional Trustee 3**
- **Full name**
- **Address**

**Additional Trustee 4**
- **Full name**
- **Address**

_(the ‘Original Trustees’)_

**Name of the Trust**

Where the Plan is in existence, the Settlor wishes to create this Trust and has transferred or delivered to the Original Trustees or otherwise placed under their control the Plan described below to hold subject to its terms.

Where the Plan has been applied for but is not yet in existence at the date of this Declaration, the Settlor declares that this Trust and the assignment referred to in clause C.1 below will come into effect immediately upon the Plan being issued by Zurich Life Assurance plc and the Settlor hereby authorises Zurich Life Assurance plc to insert the Plan number in the relevant box below.

It is anticipated that further money, investments or other property may be added to the Trust Fund at a later date.

**The Plan**

This is a Zurich International Portfolio Bond (the ‘Plan’) issued by Zurich Life Assurance plc (the ‘Company’):

- **Plan number**
- **Plan version: Life Insurance**
- **Capital Redemption**

**Life/Lives insured (life insurance version only)**

- [ ]
- [ ]
- [ ]
Now this Trust Deed witnesses as follows:

B. Definitions

1. In this Trust the following expressions will have the following meanings.

   (a) The ‘Beneficiaries’ means:
       (i) the Settlor
       (ii) any widow/widower of the Settlor
       (iii) any Spouse/Civil Partner or former Spouse/Civil Partner of the Settlor
       (iv) any children and descendants of the Settlor whenever born
       (v) any Spouse/Civil Partner or former Spouse/Civil Partner of any Person in (a)(iv) above
       (vi) any Person or class of Persons nominated to the Trustees by:
           (aa) the Settlor, or
           (bb) two Beneficiaries (after the death of the Settlor) and whose nomination is accepted in writing by the Trustees;

       and ‘Beneficiary’ and ‘Beneficiaries’ refer to any of them.

   (b) ‘Civil Partner’ means the Person referred to as such in accordance with the Civil Partnership Act 2004.

   (c) The ‘Default Beneficiaries’ means:

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   (d) ‘Person’ includes a Person (legal or natural) anywhere in the world and includes a Trustee.

   (e) ‘Spouse’ means the husband or wife or widow or widower of the Person referred to at the relevant time.

   (f) ‘This Trust’ means the trust created by this Trust Deed.

   (g) The ‘Trustees’ means the Original Trustees or the Trustee or Trustees of this Trust for the time being and ‘Trustee’ refers to any of them.

   (h) The ‘Trust Fund’ means:

       (i) the Plan which, unless the context requires otherwise, will include all sums assured by, or payable by virtue of the Plan and all benefits, privileges and advantages and all rights attaching to it; and
(ii) all money assured by or payable under or by virtue of it and any plan or plans substituted for it; and

(iii) all property paid or transferred to the Trustees to hold on the terms of this Trust; and

(iv) any property from time to time representing the above.

(i) The ‘Trust Period’ means the period of 125 years beginning with the date of this Trust Deed which period will be the perpetuity period applicable to this Trust.

2. In the interpretation and construction of each and every provision of this Trust:

(a) References to children, descendants and issue include illegitimate, adopted and stepchildren, descendants and issue, and those claiming through them.

(b) In this Trust, unless the context does not permit, words denoting any gender will include both genders and words denoting the singular will include the plural and vice versa.

(c) Clause headings and sub-headings are included for reference only and will not affect the interpretation or construction of this Trust.

(d) References to any statutory provision will include any statutory modification to or re-enactment of such provision.
C. Trust provisions

1. Assignment
The Settlor wishes to create this Trust and hereby assigns the Plan to the Trustees to hold subject to the trusts and powers and provisions set out in this Trust Deed.

2. Obligations of the Settlor
(a) The Settlor covenants with the Trustees that at the date of this Trust Deed or the date the Plan is issued if later, the Plan is valid and in full force.
(b) Neither the Settlor nor the Trustees will be under any obligation to keep up any plan or insurance policy or capital redemption policy or policies for the time being forming part of the Trust Fund but the Trustees may, in their discretion, apply any income or capital of the Trust Fund or any sum borrowed in keeping up any such plan, policy or policies.
(c) The Settlor will have no right to reimbursement or lien or charge in or over the Plan or any policy or policies substituted for it or over the Trust Fund or any property comprised in it in respect of any payment made by the Settlor prior to the date of this Trust Deed or any further payment made in respect of the Plan or any such substituted policy or policies after the date of this Trust Deed.

3. Trust income
Subject to clause 4 ('Overriding powers') below:
(a) The Trustees may accumulate the whole or any part of the income of the Trust Fund during the Trust Period. That income will be added to the Trust Fund.
(b) The Trustees will, during the Trust Period, pay or apply the remainder of such income to or for the maintenance, education or benefit of such of the Beneficiaries as they think fit. Any income not so applied during the Trust Period will be accumulated as in clause 3.(a) above.

4. Overriding powers
The Trustees have the following powers ('Overriding powers'):
(a) Power of appointment
   (i) The Trustees may appoint that they hold the Trust Fund for the benefit of such of the Beneficiaries, and on such terms, as the Trustees think fit.
   (ii) An appointment may create any provisions and in particular:
      (aa) discretionary trusts and
      (bb) dispositive or administrative powers exercisable by any Person.
   (iii) Appointments must be made by deed and may be revocable or irrevocable.
   (iv) Appointments may be made for the benefit of one or more of the Beneficiaries alone to the exclusion of any others.
(b) Transfer of Trust Fund to a new trust
The Trustees may by deed declare that they hold the whole or part of the Trust Fund on trust to transfer it to trustees of a Qualifying Settlement, to hold on the terms of that Qualifying Settlement, freed and released from the terms of this Trust. 'Qualifying Settlement' here means any settlement, wherever established, under which, in the view of the Trustees, (a) any of the Beneficiaries (to the exclusion of any other Beneficiaries) will or may benefit, even if (b) other Persons interested in the Qualifying Settlement will or may also benefit.
(c) Power of advancement

The Trustees may at any time or times during the Trust Period pay or apply the whole or any part or parts of the capital of the Trust Fund for the advancement or benefit of any Beneficiary entitled to such whole or part.

(d) Restrictions on Overriding powers

The Overriding powers are exercisable only:

(i) during the Trust Period and

(ii) if there are at least two Trustees and at least one of them is not benefiting directly or indirectly from the exercise of the Overriding power, or the Trustee is a company carrying on a business which consists of or includes the management of trusts and

(iii) if the Overriding power is to be exercised so as to benefit the Settlor or the Spouse or Civil Partner of the Settlor, if there is at least one Trustee who is not the Settlor or the Spouse or Civil Partner of the Settlor.

5. Default clause

Subject to clause 4 above and to the extent that any part of the Trust Fund will not have been appointed by the Trustees during the Trust Period, the Trust Fund will be held upon trust for the Default Beneficiaries and in such shares as are specified in clause B.1.(c) above absolutely and if no shares have been specified and there is more than one Default Beneficiary, then in equal shares absolutely.

6. Minor Beneficiaries

Where the Trustees may pay or apply capital or income for the benefit of a minor, they may do so by paying such capital or income to the minor Beneficiary’s parent or guardian on behalf of the minor and the receipt of the parent or guardian will be a complete discharge to the Trustees.

7. Investment

(a) The Trustees may invest the Trust Fund in any manner as if they were its beneficial owners.

(b) The Trustees may invest in property in any part of the world.

(c) The Trustees may decide not to diversify the Trust Fund.

(d) The Trustees may decide to invest in assets which yield little or no income for investment or any other purpose.

(e) The Trustees may surrender any policy(ies) within the Trust Fund, convert it to paid up or otherwise deal with it or any other asset as they think fit.

(f) The Trustees may engage the services of an investment manager to manage the Trust Fund on a discretionary basis and/or delegate the custody of the Trust Fund to any investment manager or his/its nominee.

8. Trustees’ power to lend

The Trustees can lend money to any of the Beneficiaries on any terms they think fit.
9. **Trustees’ power to borrow**

The Trustees may borrow, with or without giving security over the assets comprised in the Trust Fund, for investment or any other purpose. Money borrowed will be treated as property of the Trust Fund.

10. **Receipt of benefits of the Trust Fund**

Where a life assurance company pays the proceeds of a policy or policies in accordance with the Trustees’ instructions, it will receive a full discharge. The Trustees are responsible for passing benefits to Beneficiaries.

11. **Appointment and removal of Trustees**

   (a) The Settlor has the power to appoint new Trustees. After the death of the Settlor, the Trustees for the time being have the power to appoint new Trustees.

   (b) During the Settlor’s life the Settlor has the power to remove any Trustee provided that there will be at least two Trustees remaining after the removal and one of the remaining Trustees is neither the Settlor nor the Settlor’s Spouse or Civil Partner.

   (c) As long as there are at least two other Trustees, if a Trustee cannot be found, after reasonable efforts have been made to find him, the remaining Trustees can discharge the missing Trustee. It is up to the remaining Trustees to decide whether reasonable efforts have been made to find the missing Trustee and no other Person will be under any duty to ensure that it was proper for the Trustees to have exercised their power to discharge the missing Trustee.

   (d) A Person may be appointed to be a Trustee notwithstanding that such a Person is not resident in or has no connection with the United Kingdom. Remaining outside of the United Kingdom for any period of time will not be a ground for the removal of a Trustee.

12. **Trustee remuneration**

   (a) Any Trustee of this Trust who is a solicitor, accountant or other Person engaged in any profession or business, including a business which consists of or includes acting as a trustee, the management of trusts or advising trustees, will be entitled to charge and be paid all usual professional or other charges for work done and all time spent by him or his firm in connection with the Trust and also his reasonable charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in the premises, including work not requiring professional assistance, in priority to any disposition made under the Trust and a Trustee may make arrangements to remunerate himself for work done for or in respect of a company connected with the Trust Fund.

   (b) This entitlement applies to all Trustees other than the Settlor or any Spouse or Civil Partner of the Settlor.

13. **Power to vary administrative provisions**

When in the management or administration of the Trust Fund any sale, lease, mortgage, surrender, release or other disposition, or any purchase, investment, acquisition, expenditure or other transaction is, in the opinion of the Trustees, expedient, but the same cannot be effected by reason of the absence of any power for that purpose conferred on the Trustees by this Trust or by law, the Trustees may by deed confer on themselves, either generally or in any particular instance, the necessary power for the purpose, and on the execution of such deed the Trustees will have such power as if it had been expressly conferred on them by this Trust.
14. Liability of Trustees

(a) A Trustee who is an individual will not be liable for any loss to the Trust Fund or the income arising from it by reason either of (i) any investment made in good faith by him or any other Trustee or (ii) any mistake or omission made in good faith by him or any other Trustee except in the case of negligence by a paid Trustee or (iii) the negligence or fraud of any delegate or agent employed in good faith by him or any other Trustee although the delegation to or employment of such agent was not strictly necessary or expedient or (iv) any other matter or thing except individual fraud on the part of the Trustee whom it is sought to make liable or, in the case of a paid Trustee, negligence.

(b) A Trustee will not be bound to take any proceedings against a co-Trustee or former Trustee or his personal representatives for any breach or alleged breach of trust committed or suffered by such co-Trustee or former Trustee.

15. Absolute owner

The Trustees will in respect of the Trust Fund, and more particularly the Plan, have all the powers of an absolute owner of it and may deal with the same or any money to be received on mortgage, surrender, maturity or otherwise in respect of it in such manner as they will consider most beneficial to the Persons beneficially interested under the trusts contained in this Trust.

16. Settlor’s incapacity

If the Settlor becomes mentally incapable, as defined by the Mental Capacity Act 2005 or any Act of Parliament which supersedes that Act, his powers under this Trust will be exercisable as if he is dead at that time.

17. Apportionment

The income of the Trust Fund will, however the property is invested, be treated and applied as income. Income and expenditure will be treated as arising when payable and not from day to day, so that no apportionment will take place. The statutory and equitable rules of apportionment will not apply to this Trust.

18. Receipts

(a) Where the Trust Fund or its income is to be paid or transferred to a charity, the receipt of the treasurer or appropriate officer of the charity is a complete discharge to the Trustees.

(b) A sole Trustee may give a valid receipt for any property.

19. Governing law and jurisdiction

(a) This Trust is governed by and will be construed in accordance with the law of England.

(b) The courts of England will have jurisdiction in respect of the administration of this Trust.
D. Signatures

IN WITNESS WHEREOF the parties hereto have executed this Trust Deed the day and year first before written.

**Signed as a Deed and delivered by: Settlor**

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<tr>
<th>Name of Settlor and Trustee</th>
<th>Signature</th>
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<td>Town/city of birth</td>
<td>In the presence of (name of) witness</td>
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<tr>
<td>Country of birth</td>
<td>Signature of witness</td>
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<tr>
<td>Country of residence for tax purposes</td>
<td>Address of witness</td>
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<td>Tax reference number (if UK, please supply your national insurance number)</td>
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Are you a US citizen?  [ ] Yes  [ ] No

**Signed as a Deed and delivered by: Additional Trustee 1**

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<th>Name of Trustee</th>
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Are you a US citizen?  [ ] Yes  [ ] No

**Signed as a Deed and delivered by: Additional Trustee 2**

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Are you a US citizen?  [ ] Yes  [ ] No
The Zurich International Portfolio Bond is provided by Zurich Life Assurance plc.
Zurich Life Assurance plc is authorised and regulated by the Central Bank of Ireland and subject to limited regulation by the Financial Conduct Authority for the conduct of insurance business in the UK. Registered office: Zurich House, Frascati Road, Blackrock, Co Dublin, Ireland. Registered in Ireland under company number 58098. Telephone number 0370 850 6130.
We may record or monitor calls to improve our service.

Please let us know if you would like a copy of this in large print or braille, or on audiotape or CD.